



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

March 15, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**FIVE-YEAR LEASE AMENDMENT
PROBATION DEPARTMENT
4549 TELEGRAPH ROAD, LOS ANGELES
(FIRST DISTRICT) (3 VOTES)**

SUBJECT

This recommendation is for an amendment extending the term of the lease for an additional five years for the Probation Department.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Find that the project is exempt from the provisions of the California Environmental Quality Act pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, and Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).
2. Approve and instruct the Mayor to sign the five-year Lease Amendment with J.B. Realty, LLC, (Lessor) at an annual rental rate of \$120,000 for the first year, and authorize the Probation Department to implement the project. The rental costs are net County cost.

Board of Supervisors
GLORIA MOLINA
First District

MARK RIDLEY-THOMAS
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

"To Enrich Lives Through Effective And Caring Service"

**Please Conserve Paper – This Document and Copies are Two-Sided
Intra-County Correspondence Sent Electronically Only**

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Since July 1981, the County of Los Angeles (County) has leased the subject facility for use by the Probation Department (Probation) as office and warehouse space. The facility currently houses the Facilities Operations Section, Fleet Management Services and the Communications Unit. The Communications Unit services the telephone, pager, and voice mail requirements of Probation countywide. The warehousing operations are managed by Facilities Operations, servicing 50 Probation facilities throughout the County.

The most recent lease for the facility expired on January 31, 2010, and the County continued its occupancy pursuant to the holdover provision with the consent of the Lessor. Probation has requested that the lease be renewed.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan, Operational Effectiveness (Goal 1) directs that we maximize the effectiveness of the County's operations to support timely and efficient delivery of public services. The proposed Amendment supports this goal by securing the current facility for an additional five years, stabilizing Probation's budget, and providing time to re-evaluate its future space need.

FISCAL IMPACT/FINANCING

The proposed Lease Amendment will reduce the current annual rent from \$130,464 to \$120,000, for the first year. Thereafter, the rent will be increased by \$3,600 annually, thus, exceeding its current level after the third year of the new term. Sufficient funding for the proposed lease amendment is included in the 2010-11 Rent Expense budget and will be billed back to Probation. Probation has sufficient funds in its 2010-11 budget to cover the projected lease costs. All of the rental costs are Net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed Lease Amendment will extend the term for the current facility by an additional five years, and it contains the following provisions:

- Five-year term extension, commencing upon Board approval and ending five years thereafter.
- Reduction of first year rent from its current amount of \$130,464 to \$120,000, subject to an annual increase of \$3,600 on every anniversary thereafter.

- Lessor agreed to perform certain work to improve the facility, such as plumbing repairs, duct cleaning, and landscape work, as requested by Probation.
- County may cancel the lease at any time after the 30th month upon 90 days prior written notice to Lessor.
- All other terms and conditions will remain the same.

The Department of Public Works has inspected the facility and found it suitable for the County's occupancy. The following chart provides a comparison between the existing lease and the proposed Lease Amendment.

4549 Telegraph Road, Los Angeles	Current Lease	Proposed Lease Amendment	Change
Premises	13,590 square feet	13,590 square feet	None
Term	2/1/06 to 1/31/10 Month-to-month	A new five-year term	+ Five years
Annual/Monthly Rental Rate	\$130,464 annually, or \$10,872 monthly	\$120,000 annually, or \$10,000 monthly for first year, subject to annual fixed adjustment of \$3,600, or \$300 monthly	-\$10,464 first year reduction
Cancellation	Upon 30 days' notice	Anytime after the 30 th month upon 90 days' written notice	+29 months
Tenant Improvements (TI)	Roof repairs	Lessor will provide the improvements requested by the County at no additional cost	New TI
Lease Basis	Industrial gross basis; Lessor is responsible for the Basic Structure, and County is responsible for all building components, plus utilities	Industrial gross basis; Lessor is responsible for the Basic Structure, and County is responsible for all building components, plus utilities	None

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The proposed Lease Amendment will provide Probation with the continued use of the current space, pending the re-evaluation of its space needs, and the stabilization of its budget. Probation concurs with the recommendation to enter into the proposed Lease Amendment.

The Honorable Board of Supervisors
March 15, 2011
Page 4

ENVIRONMENTAL DOCUMENTATION

The Chief Executive Office has performed an initial study of the environmental factors and has concluded that entering into the proposed Amendment is exempt from the California Environmental Quality Act (CEQA) as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by your Board, and Section 15301 of the State CEQA Guidelines (Existing Facilities).

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors, return two adopted, stamped Board letters and two certified copies of the Minute Order to the CEO, Real Estate Division, 222 South Hill Street, 4th Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:RLR:WLD
CEM:MS:hd

Attachments

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Probation

**PROBATION DEPARTMENT
4549 TELEGRAPH ROAD, LOS ANGELES**

Asset Management Principles Compliance Form¹

1.	<u>Occupancy</u>		Yes	No	N/A
A	Does lease consolidate administrative functions? ² Administrative functions will remain centralized at Probation headquarters at Downey.				X
B	Does lease co-locate with other functions to better serve clients? ²				X
C	Does this lease centralize business support functions? ²				X
D	Does this lease meet the guideline of 200 sq.ft of space per person? ² A portion of the space is being utilized as a warehouse space.			X	
2.	<u>Capital</u>				
A	Is it a substantial net County cost (NCC) program? 100%		X		
B	Is this a long term County program?		X		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?			X	
D	If no, are there any suitable County-owned facilities available?			X	
E	If yes, why is lease being recommended over occupancy in County-owned space?				X
F	Is Building Description Report attached as Attachment B?		X		
G	Was build-to-suit or capital project considered? In light of current fiscal constraints a capital project was not considered. However, CEO Capital Projects has been asked to consider this requirement for future development at Rancho Los Amigos Hospital/Campus.			X	
3.	<u>Portfolio Management</u>				
A	Did department utilize CEO Space Request Evaluation (SRE)?		X		
B	Was the space need justified?		X		
C	If a renewal lease, was co-location with other County departments considered?				X
D	Why was this program not co-located?				
	1. ___ The program clientele requires a "stand alone" parking area.				
	2. ___ No suitable County occupied properties in project area.				
	3. <u>X</u> No County-owned facilities available for the project.				
	4. ___ Could not get City clearance or approval.				
	5. ___ The Program is being co-located.				
E	Is lease a full service lease? ² Since the facility is basically a warehouse, the lessor is responsible for the basic structure, and the County is responsible for maintaining the building components, and paying for utilities.			X	
F	Has growth projection been considered in space request?				X
G	Has the Dept. of Public Works completed seismic review/approval?		X		
¹ As approved by the Board of Supervisors 11/17/98					
² If not, why not?					

ATTACHMENT B

COUNTY OWNED AND LEASED FACILITIES CONTAINING OVER 10,000 SQUARE FEET OF SPACE AND ARE WITHIN 5 MILES OF PROBATION HEADQUARTERS

Laco	Name	Address	Description	Vacant SQFT	Gross SQFT	Net SQFT	Distance Miles
3385	RANCHO-HOSPITAL OFFICE BLDG 500,501,502 & 503	7601 E IMPERIAL HWY, DOWNEY 90242	FINANCED	None	88,104	63,850	1.7
X238	RANCHO-SUPPORT SERVICES ADMIN. BLDG	7601 E IMPERIAL HWY, DOWNEY 90242	FINANCED	None	66,200	56,002	1.7
1100	PUBLIC SAFETY-HEADQUARTERS/HEALTH SVCS	7601 E IMPERIAL HWY, DOWNEY 90242	OWNED	None	15,482	9,221	1.7
1180	RANCHO-HARRIMAN BUILDING 400 - ADMINISTRATION	7601 E IMPERIAL HWY, DOWNEY 90242	OWNED	None	85,879	39,682	1.7
2892	RANCHO-BUILDINGS 605/606	7601 E IMPERIAL HWY, DOWNEY 90242	OWNED	None	15,658	12,249	1.7
A755	PUBLIC LIBRARY-HEADQUARTERS	7400 E IMPERIAL HWY, DOWNEY 90242	FINANCED	None	68,000	55,733	1.9
D600	DOWNEY COURTHOUSE	7500 E IMPERIAL HWY, DOWNEY 90242	FINANCED	None	100,628	77,003	2
X998	LOS PADRINOS JUVENILE COURTHOUSE-1	7281 E QUILL DR, DOWNEY 90242	OWNED	None	29,628	23,148	2.2
1203	PH-PUBLIC HEALTH FACILITIES BUILDING 301/302	12838 ERICKSON AVE, DOWNEY 90242	OWNED	None	19,575	12,170	2.5
5934	PUBLIC LIBRARY-LELAND R WEAVER LIBRARY	4035 TWEEDY BLVD, SOUTH GATE 90280	OWNED	None	19,461	16,955	2.9
6467	AG COMM/WTS MEAS-SOUTH GATE ADMIN.	11012 GARFIELD AVE, SOUTH GATE 90280	OWNED	None	21,902	15,325	2.9
0005	BELLFLOWER COURTHOUSE	10025 E FLOWER ST, BELLFLOWER 90706	OWNED	None	68,510	45,966	3.2
4401	DHS-BELLFLOWER HEALTH CENTER	10005 E FLOWER ST, BELLFLOWER 90706	OWNED	none	15,524	9,053	3.2
5368	PUBLIC LIBRARY-NORWALK LIBRARY	12350 IMPERIAL HWY, NORWALK 90650	OWNED	none	33,749	27,529	3.2
5685	NORWALK COURTHOUSE	12720 NORWALK BLVD, NORWALK 90650	OWNED	none	197,309	137,779	3.2
6444	PUBLIC LIBRARY-CLIFTON M BRAKENSIEK LIBRARY	9945 E FLOWER ST, BELLFLOWER 90706	OWNED	none	20,160	17,078	3.2
D221	DPSS-NORWALK WS DISTRICT OFFICE	12727 NORWALK BLVD, NORWALK 90650	LEASED	none	40,500	30,928	3.7
X168	HARRY HUFFORD REGISTRAR-RECORDER/CO CLERK	12400 E IMPERIAL HWY, NORWALK 90650	FINANCED	none	262,510	240,600	3.8
A068	NORWALK IMPERIAL CENTRE (AKA BECHTEL BLDG)	12440 E IMPERIAL HWY, NORWALK 90650	LEASED	none	216,320	194,891	3.8
5867	PUBLIC LIBRARY-ANGELO M IACOBONI LIBRARY	4990 CLARK AVE, LAKEWOOD 90712	GR LEASE	none	22,000	20,762	4.7

**AMENDMENT NO. 2 TO LEASE NO. 66818
PROBATION DEPARTMENT
4549 TELEGRAPH ROAD, LOS ANGELES**

THIS AMENDMENT ("Amendment No. 2") is entered into this day of _____, 2011, by and between J.B. REALTY, LLC, a California limited liability company ("Lessor"), and the COUNTY OF LOS ANGELES, a body corporate and politic ("County" or "Lessee").

RECITALS

- A. On June 2, 1993, J.B. Realty Partnership, predecessor-in-interest to J.B. Realty, LLC, as Lessor, entered into Lease No. 66818 for 13,590 rentable square feet of floor space, consisting of the entire building located at 4549 Telegraph Road, Los Angeles, with the County of Los Angeles, as Lessee. The Lease was later amended pursuant to Amendment No.1 to Lease No 66818 entered into on January 20, 2007, hereinafter, collectively, referred to as ("Lease", or "Lease No 66818"). The Lease has expired at midnight on January 31, 2010, and the Lessee continued its occupancy on a month-to-month basis pursuant to the Holdover provision of the Lease with the consent of the Lessor.
- B. As a condition for Lessee continued tenancy at the subject facility, Lessee has requested certain repairs and maintenance work, delineated on the attached Exhibit A, and Lessor has agreed to perform said work at its own cost and expense within ninety days from the date of the execution of this Amendment No. 2 by the parties herein. Should Lessor fail to perform the required work within said ninety days, Lessee may perform said work and deduct its costs thereof from the installments of rent next due to Lessor.
- C. Lessor and Lessee agree to extend the term of the Lease for an additional five years, at the rental rates as herein provided.

NOW THEREFORE, in consideration of the foregoing recitals which are hereby deemed a contractual part hereof, and of the terms, conditions and covenants contained in the Lease and hereinafter provided, the parties do hereby mutually agree as follows:

1. TERM:

Lessor and Lessee hereby agree to extend the term of the Lease for an additional five years (the "Extension Term"), commencing upon approval by the County's Board of Supervisors, and expiring on the fifth anniversary of such approval, unless terminated earlier pursuant to the provisions of Paragraph 3 of this Amendment No.2.

2. RENT:

The parties hereto agree that the rental rate for the subject Premises payable by County to the Lessor during the first year of the Extension Term shall be Ten-Thousand and 00/100 Dollars (\$10,000), per month. The rent during the second year of the Extension Term shall be Ten-Thousand and Three-Hundred and 00/100 Dollars (\$10,300), per month. The rent during the third year of the Extension Term shall be Ten-Thousand and Six-Hundred and 00/100 Dollars (\$10,600), per month. The rent during the fourth year of the Extension Term shall be Ten-Thousand and Nine-Hundred and 00/100 Dollars (\$10,900), per month. The rent during the fifth year of the Extension Term shall be Eleven-Thousand and Two-Hundred and 00/100 Dollars (\$11,200), per month.

3. CANCELLATION:

Lessee shall have the right to cancel this Lease at any time after the thirtieth month by providing Lessor with a ninety days prior written notice of its intention to cancel.

All other terms and conditions contained in said Lease No. 66818 not inconsistent herewith, are hereby reaffirmed and incorporated by reference as though fully set forth herein. In the event of a conflict between the Lease and this Amendment No. 2, the terms of Amendment No. 2 shall control.

IN WITNESS WHEREOF, the Lessor has executed this Amendment No. 2 or caused it to be duly executed, and the County of Los Angeles, pursuant to a delegation of authority from the Los Angeles County Board of Supervisors, has caused this Amendment No. 1 to be executed on its behalf by the Chief Executive Officer of said County or his designee on the day, month, and year first written above.

LESSOR

J.B. REALTY, LLC

A California limited liability company

By: 

Bernard Barsky, Trustee for the Bernard Barsky Family Trust, Member

By: 

Howard Barsky, Trustee for the Howard Barsky Family Trust, Member

ATTEST:

SACHI A. HAMAI

Executive Officer-Clerk

Of the Board of Supervisors

LESSEE

COUNTY OF LOS ANGELES

By: _____
Deputy

By: _____
Michael D. Antonovich, Mayor

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN

County Counsel

By: 

Amy M. Caves

Senior Deputy County Counsel

EXHIBIT A

As a condition for Lessee extending its tenancy of the subject facility, Lessor agreed to perform the following repairs and maintenance work at Lessor's own cost and expense.

- Lessor shall cause a California licensed plumber to inspect the entire plumbing system of the facility and to perform any and all necessary repairs.
- All air conditioning vents and ducts shall be cleaned.
- Stained ceiling tiles throughout the facility shall be replaced.
- Rain gutter at the South Easterly side of the building shall be repaired and or replaced.
- Broken light diffusers and light fixtures shall be replaced.
- The trees on the East side of the parking lot shall be trimmed.

Should Lessor fails to complete the required repairs within ninety from the date of the execution of this Amendment No. 2 by the parties herein, Lessee may perform said work and deduct its costs for the same from the installments of rent next due to Lessor.